

B.C.D. 14-10

February 7, 2014

EMPLOYER STATUS DETERMINATION

Gulf, Colorado & San Saba Railway Corp. (GCSS)

This is a determination of the Railroad Retirement Board concerning the continued status of Gulf, Colorado & San Saba Railway Corp. (GCSS), B.A. # 3891 as an employer under the Railroad Retirement Act (45 U.S.C. 231 *et seq.*)(RRA) and the Railroad Unemployment Insurance Act (45 U.S.C. 351 *et seq.*)(RUIA).

GCSS has been an employer covered by the RRA and the RUIA, with service creditable from May 11, 1993. GCSS filed for Chapter 11 bankruptcy on July 3, 2012. Information regarding this company was provided in correspondence dated January 17, 2013 from Mr. Ronald Hornberger, Chapter 11 Trustee for the bankruptcy case. Mr. Hornberger stated that he had been granted authority to sell the operating assets of GCSS to the Heart of Texas Railroad, LP (“Heart of Texas”). He stated that after the sale on January 28, 2013, GCSS would no longer provide any rail services because after the date of the closing, it would be owned by Heart of Texas, which would operate the railroad.

Mr. Hornberger further confirmed via telephone communication on January 20, 2014 that the transfer between businesses had proceeded as planned and was effective January 28, 2013. Any assets of GCSS were sold to Heart of Texas. GCSS no longer exists as a separate legal entity. It has no relations with the railroad industry and does not provide any rail service.

Section 202.11 (20 C.F.R. §202.11) of the Board’s regulations states, “[t]he employer status of any company or person shall terminate whenever such company or person loses any of the characteristics essential to the existence of an employer status.” The evidence of record establishes that GCSS no longer possesses the characteristics of an operating railroad company covered under the RRA and the RUIA.

The Board finds that effective with January 28, 2013, the effective date of the sale to Heart of Texas, GCSS ceased being a covered employer under the RRA and the RUIA.

Original signed by:

FOR THE BOARD
Martha P. Rico
Secretary to the Board